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TRENDS IN OPEC TRADE

JUN 75  
01 OF 01

CENTRAL INTELLIGENCE AGENCY  
WASHINGTON, D.C. 20505

24 June 1975

MEMORANDUM FOR: Mr. Carl Schmidt, Director  
Office of International Trade  
Department of State

SUBJECT : Trends in OPEC Trade

The attached report and tables on recent trends in sales to OPEC are in response to Mr. Sid Williams' 17 June phone call. If we can provide additional information on this or related subjects, please call [redacted] or me on IDS code [redacted]

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Acting Chief  
Multilateral Trade Negotiations  
Task Force  
Office of Economic Research

Attachment:  
As stated.

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## SHARES IN THE OPEC MARKET IN 1974

The major developed countries\* captured nearly three-fourths of the \$15 billion increase in world sales to OPEC states last year. The value of the Big Seven's combined exports to OPEC went up 81% from 1973, 2-1/2 times the rate for their other exports. Their inroads into the OPEC market were mainly at the expense of the other developed countries. As a group, the smaller developed countries claimed only 13% of the OPEC market, compared with 16% in 1973, while the LDCs and Communist countries together held on to about 19% of the market.

Key Beneficiaries

Most of the export gains among the major developed countries went to the United States and Japan. Together they accounted for 40% of the increase in world sales to OPEC, improving their combined position from 31% to 34% of the OPEC market. The rest of the major countries showed little change in their market shares. France, West Germany, and Canada gained a little while Italy and the United Kingdom lost slightly.

US sales to OPEC were up by more than \$3 billion from 1973. More than half of the increase went to two countries, Iran and Venezuela. Roughly one-third of the \*US, Japan, Canada, the UK, West Germany, France, and Italy.

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additional sales of \$1 billion to Iran were military equipment, with another \$0.5 billion divided between food and transportation equipment. About half of the increase in US sales to Venezuela consisted of machinery and equipment; an additional one-third was chemical products and agricultural goods. The United States also sold several hundred million dollars worth of military goods to Saudi Arabia and large amounts of capital goods and food to all OPEC countries.

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Other Exporters

More than two-fifths of the gain in France's sales came with its former colony, Algeria, where strong trade

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ties continue.

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Prospects

Total world sales to OPEC are expected to reach about \$50 billion this year. The major developed countries should continue to dominate this growing market; the United States and Japan should remain the chief suppliers, with West Germany perhaps gaining in its market share. Competition among the Big Seven is intense because of the prevalence of excess capacity.

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TABLE 1

## EXPORTS TO OPEC

|                           | Billion \$ |      |          | Percentage<br>Share of the<br>Increase |
|---------------------------|------------|------|----------|--|
|                           | 1973       | 1974 | Increase |  |
| United States             | 3.6        | 6.7  | 3.1      | 21                                     |
| Japan                     | 2.7        | 5.3  | 2.6      | 19                                     |
| West Germany              | 2.3        | 4.3  | 2.0      | 11                                     |
| France                    | 1.7        | 3.0  | 1.3      | 9                                      |
| United Kingdom            | 1.6        | 2.6  | 1.0      | 6                                      |
| Italy                     | 1.2        | 2.4  | 1.2      | 5                                      |
| Canada                    | 0.3        | 0.6  | 0.3      | 2                                      |
| Major Developed Countries | 13.4       | 24.9 | 11.5     | 72                                     |
| Other Developed Countries | 3.3        | 4.6  | 1.3      | 9                                      |
| LDC/Communist             | 3.9        | 6.7  | 2.8      | 19                                     |
| TOTAL                     | 20.6       | 36.2 | 15.6     | 100                                    |

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TABLE 2

## SHARE OF OPEC MARKET

|                              | (Percent)   |                    |
|------------------------------|-------------|--------------------|
| <u>Exporter</u>              | <u>1973</u> | <u>1974 (est.)</u> |
| Major developed countries    | 65.0        | 68.8               |
| United States                | 17.5        | 18.9               |
| Japan                        | 13.1        | 15.5               |
| West Germany                 | 11.2        | 11.3               |
| France                       | 8.3         | 8.5                |
| United Kingdom               | 7.8         | 7.0                |
| Italy                        | 5.8         | 6.0                |
| Canada                       | 1.5         | 1.7                |
| Other developed countries    | 16.0        | 13.0               |
| LDCs and Communist countries | 18.9        | 18.9               |

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MAJOR DEVELOPED COUNTRIES: EXPORTS, First Quarter 1975  
(MILLION US \$)

|               | Japan |       |       | United States |       |       | Canada |       |       | France |       |       | United Kingdom |       |       | Italy |       |       |
|---------------|-------|-------|-------|---------------|-------|-------|--------|-------|-------|--------|-------|-------|----------------|-------|-------|-------|-------|-------|
|               | Jan   | Feb   | Mar   | Jan           | Feb   | Mar   | Jan    | Feb   | Mar   | Jan    | Feb   | Mar   | Jan            | Feb   | Mar   | Jan   | Feb   | Mar   |
| TOTAL         | 3,621 | 4,436 | 4,936 | 9,201         | 8,543 | 9,464 | 2,685  | 2,444 | 2,556 | 4,193  | 4,487 | 4,616 | 3,705          | 3,534 | 3,723 | 2,398 | 2,697 | 2,855 |
| EC            | 365   | 487   | 531   | 2,169         | 2,033 | 2,219 | 199    | 165   | NA    | 2,081  | 2,197 | NA    | 1,134          | 1,137 | NA    | 1,107 | 1,167 | NA    |
| Other OECD    | 1,147 | 1,420 | 1,529 | 3,376         | 3,286 | 3,455 | 2,094  | 2,002 | NA    | 828    | 918   | NA    | 1,334          | 1,261 | NA    | 523   | 630   | NA    |
| OECD          | 425   | 660   | 782   | 844           | 681   | 895   | 71     | 54    | NA    | 385    | 391   | NA    | 356            | 353   | NA    | 248   | 305   | NA    |
| Communist     | 439   | 481   | 478   | 239           | 170   | 208   | 77     | 71    | NA    | 191    | 239   | NA    | 124            | 108   | NA    | 148   | 170   | NA    |
| Rest of World | 1,245 | 1,388 | 1,616 | 2,573         | 2,373 | 2,687 | 244    | 152   | NA    | 708    | 742   | NA    | 757            | 675   | NA    | 372   | 425   | NA    |

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## MAJOR DEVELOPED COUNTRIES: IMPORTS, First Quarter 1975

(MILLION US \$)

|               | Japan |       |       | United States* |       |       | Canada* |       |       | France |       |       | United Kingdom |       |       | Italy |       |       |
|---------------|-------|-------|-------|----------------|-------|-------|---------|-------|-------|--------|-------|-------|----------------|-------|-------|-------|-------|-------|
|               | Jan   | Feb   | Mar   | Jan            | Feb   | Mar   | Jan     | Feb   | Mar   | Jan    | Feb   | Mar   | Jan            | Feb   | Mar   | Jan   | Feb   | Mar   |
| TOTAL         | 4,901 | 4,562 | 4,965 | 9,823          | 7,161 | 7,453 | 2,818   | 2,607 | 2,851 | 4,605  | 4,608 | 4,891 | 5,169          | 4,481 | 4,420 | 2,941 | 2,766 | 3,357 |
| EC            | 268   | 273   | 294   | 1,839          | 1,311 | 1,517 | 174     | 153   | NA    | 2,059  | 2,259 | NA    | 1,830          | 1,674 | NA    | 1,214 | 1,200 | NA    |
| Other OECD    | 1,809 | 1,719 | 1,780 | 3,692          | 2,897 | 3,159 | 2,055   | 2,008 | NA    | 966    | 948   | NA    | 1,732          | 1,458 | NA    | 633   | 592   | NA    |
| OPEC          | 1,667 | 1,540 | 1,737 | 2,174          | 1,170 | 1,006 | 327     | 246   | NA    | 787    | 744   | NA    | 797            | 676   | NA    | 627   | 517   | NA    |
| Communist     | 228   | 261   | 288   | 107            | 69    | 66    | 38      | 25    | NA    | 149    | 142   | NA    | 128            | 129   | NA    | 137   | 168   | NA    |
| Rest of World | 930   | 769   | 865   | 2,011          | 1,714 | 1,705 | 224     | 175   | NA    | 644    | 515   | NA    | 682            | 544   | NA    | 330   | 289   | NA    |

\*US and Canadian imports are reported f.o.b.; other countries are c.i.f.

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## MAJOR DEVELOPED COUNTRIES: EXPORTS, 4TH QUARTER 1974

(MILLION US \$)

|               | JAPAN  | UNITED STATES | CANADA | WEST GERMANY | FRANCE | UNITED KINGDOM | ITALY |
|---------------|--------|---------------|--------|--------------|--------|----------------|-------|
| TOTAL         | 16,548 | 27,135        | 8,784  | 24,177       | 12,744 | 10,491         | 8,568 |
| EC            | 1,656  | 5,910         | 1,165  | 10,152       | 6,501  | 3,435          | 3,705 |
| OTHER OECD    | 5,691  | 10,896        | 6,702  | 7,263        | 2,754  | 3,885          | 2,127 |
| OPEC          | 1,863  | 2,272         | 192    | 1,455        | 966    | 792            | 789   |
| COMMUNIST     | 1,434  | 483           | 123    | 1,899        | 555    | 336            | 534   |
| REST OF WORLD | 5,904  | 7,574         | 602    | 3,408        | 1,968  | 2,043          | 1,413 |

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## MAJOR DEVELOPED COUNTRIES: IMPORTS, 4TH QUARTER 1974\*

(MILLION US \$)

|               | JAPAN  | UNITED STATES | CANADA | WEST GERMANY | FRANCE | UNITED KINGDOM | ITALY  |
|---------------|--------|---------------|--------|--------------|--------|----------------|--------|
| TOTAL         | 15,879 | 27,357        | 8,940  | 18,540       | 13,821 | 14,118         | 10,503 |
| EC            | 930    | 5,022         | 840    | 8,793        | 6,354  | 4,842          | 4,389  |
| OTHER OECD    | 5,490  | 11,349        | 6,801  | 4,431        | 2,868  | 4,839          | 1,977  |
| OPEC          | 4,782  | 4,185         | 732    | 2,181        | 2,373  | 2,064          | 2,349  |
| COMMUNIST     | 846    | 255           | 63     | 918          | 432    | 057            | 540    |
| REST OF WORLD | 3,831  | 6,546         | 504    | 2,217        | 1,794  | 1,866          | 1,248  |

\*C.I.F. EXCEPT UNITED STATES AND CANADA.

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PROFILE OF THE OPEC MARKET, 1974

(PERCENT OF TOTAL)

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PROFILE OF THE OPEC MARKET, 1974

(PERCENT OF TOTAL)

| EXPORTERS<br>IMPORTERS | WORLD<br>(BILLIONS<br>OF \$ F.O.B.) | BIG SEVEN        |       |                 |        |                   |       |        |    | OTHER<br>OPEC | NON-<br>OPEC |
|------------------------|-------------------------------------|------------------|-------|-----------------|--------|-------------------|-------|--------|----|---------------|--------------|
|                        |                                     | UNITED<br>STATES | JAPAN | WEST<br>GERMANY | FRANCE | UNITED<br>KINGDOM | ITALY | CANADA |    |               |              |
| TOTAL OPEC             | 36.0                                | 68               | 19    | 15              | 11     | 8                 | 7     | 6      | 2  | 13            | 19           |
| ALGERIA                | 3.7                                 | 80               | 10    | 4               | 14     | 36                | 4     | 8      | 4  | 11            | 8            |
| ECUADOR                | 0.8                                 | 76               | 42    | 14              | 10     | 2                 | 4     | 2      | 2  | 11            | 13           |
| INDONESIA              | 3.8                                 | 73               | 14    | 39              | 9      | 3                 | 5     | 2      | 1  | 8             | 19           |
| IRAN                   | 7.2                                 | 75               | 26    | 15              | 17     | 4                 | 10    | 3      | 1  | 10            | 15           |
| IRAQ                   | 3.1                                 | 57               | 10    | 17              | 13     | 8                 | 5     | 3      | 1  | 11            | 32           |
| KUWAIT                 | 1.8                                 | 50               | 11    | 15              | 9      | 4                 | 8     | 3      | -- | 11            | 33           |
| LIBYA                  | 3.1                                 | 69               | 5     | 8               | 13     | 12                | 5     | 26     | -- | 15            | 16           |
| NIGERIA                | 2.7                                 | 66               | 11    | 11              | 13     | 7                 | 20    | 4      | 1  | 12            | 22           |
| QATAR                  | 0.3                                 | 60               | 7     | 10              | 4      | 21                | 11    | 7      | 1  | 40            | --           |
| SAUDI ARABIA           | 3.6                                 | 70               | 25    | 20              | 9      | 4                 | 8     | 4      | 1  | 12            | 16           |
| UNITED ARAB EMIRATES   | 1.4                                 | 43               | 12    | 16              | 2      | 5                 | 5     | 2      | -- | 42            | 16           |
| VENEZUELA              | 4.5                                 | 71               | 41    | 9               | 8      | 3                 | 3     | 3      | 5  | 8             | 21           |

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## BIG SEVEN: EXPORTS TO OPEC COUNTRIES, 1974

(EXPORTS IN MILLIONS OF US DOLLARS AND PERCENTAGE INCREASES OVER 1973)

| EXPORTS OF:          | US            | CANADA        | JAPAN         | UK            | WEST GERMANY  | FRANCE           | ITALY         | TOTAL SEVEN    |
|----------------------|---------------|---------------|---------------|---------------|---------------|------------------|---------------|----------------|
| <b>TO:</b>           |               |               |               |               |               |                  |               |                |
| Total World          | 98930<br>(37) | 32380<br>(39) | 54220<br>(47) | 35930<br>(13) | 89230<br>(32) | 46620<br>(30)    | 30110<br>(35) | 355520<br>(40) |
| Algeria              | 351<br>(119)  | 156<br>(463)  | 155<br>(206)  | 128<br>(40)   | 482<br>(54)   | 1297<br>(72)     | 360<br>(69)   | 2853<br>(82)   |
| Ecuador              | 326<br>(89)   | 12<br>(82)    | 114<br>(125)  | 32<br>(11)    | 82<br>(78)    | 19<br>(47)       | 15<br>(-2)    | 500<br>(80)    |
| Indonesia            | 530<br>(20)   | 55<br>(211)   | 1453<br>(61)  | 200<br>(151)  | 324<br>(65)   | 104<br>(96)      | 59<br>(133)   | 2724<br>(59)   |
| Iran                 | 1734<br>(125) | 64<br>(15)    | 1019<br>(110) | 552<br>(101)  | 1140<br>(53)  | 257<br>(27)      | 1753<br>(-1)  | 5041<br>(84)   |
| Iraq                 | 235<br>(410)  | 19<br>(1664)  | 478<br>(879)  | 140<br>(114)  | 373<br>(72)   | 214<br>(154)     | 91<br>(189)   | 1501<br>(388)  |
| Kuwait               | 208<br>(74)   | 5<br>(178)    | 280<br>(68)   | 140<br>(82)   | 160<br>(127)  | 64<br>(60)       | 62<br>(59)    | 919<br>(79)    |
| Libya                | 139<br>(24)   | 6<br>(-54)    | 234<br>(113)  | 146<br>(13)   | 402<br>(91)   | 352<br>(81)      | 810<br>(79)   | 2099<br>(72)   |
| Nigeria              | 286<br>(50)   | 24<br>(5)     | 295<br>(103)  | 520<br>(27)   | 346<br>(66)   | 175<br>(62)      | 116<br>(85)   | 1753<br>(50)   |
| Qatar                | 34<br>(75)    | 4<br>(306)    | 47<br>(136)   | 52<br>(16)    | 21<br>(108)   | 100(C)<br>(1135) | 32<br>(610)   | 289<br>(170)   |
| Saudi Arabia         | 835<br>(89)   | 18<br>(37)    | 690<br>(75)   | 280<br>(98)   | 286<br>(127)  | 120<br>(121)     | 129<br>(66)   | 2343<br>(39)   |
| United Arab Emirates | 230<br>(90)   | 5<br>(163)    | 309<br>(91)   | 200<br>(76)   | 80<br>(187)   | 100(C)<br>(263)  | 31<br>(98)    | 955<br>(109)   |
| Venezuela            | 1768<br>(71)  | 209<br>(103)  | 400<br>(106)  | 118<br>(26)   | 331<br>(15)   | 141<br>(36)      | 125<br>(-4)   | 3081<br>(59)   |
| Total OPEC           | 6726<br>(87)  | 576<br>(118)  | 5454<br>(101) | 2608<br>(63)  | 4026<br>(78)  | 2953<br>(79)     | 1947<br>(61)  | 24146<br>(81)  |

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